

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. AB 1250 (Sub-No. 1X)]

HC Railroad, LLC—Abandonment Exemption—in Rush County, Ind.

On March 14, 2017, HC Railroad, LLC (HC Railroad), filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. § 10502 for exemption from the provisions of 49 U.S.C. § 10903 to abandon an approximately 6.4-mile rail line extending from milepost 17.4 to milepost 23.8 in Rush County, Ind. (the Line). The Line Traverses United States Postal Zip Code 46173.

Per HC Railroad, it has never conducted any operations—common carrier or otherwise—over the Line; thus, no common carrier traffic has moved over the Line in more than five years. HC Railroad states that immediately upon acquiring the Line from Honey Creek Railroad, LLC (Honey Creek),¹ HC Railroad exclusively leased it to the only shipper on the Line, Morristown Grain Company, Inc. (Morristown), an affiliate of HC Railroad.² In addition to acquiring the Line in 2010, HC Railroad also acquired from Honey Creek its rights to own and/or operate approximately 1,400 feet of private industrial track (Connecting Track) owned by it and CSX Transportation, Inc. (CSXT).

¹ HC R.R.—Acquis. & Operation Exemption—Honey Creek R.R., FD 35434 (STB served Oct. 28, 2010).

² Contemporaneous with HC Railroad's acquisition of the Line, HC Railroad's indirect parent company, Bunge North America, Inc., acquired Morristown (via another company).

HC Railroad submits that, between 2010 and 2015, CSXT placed and removed railcars shuttled by Morristown between its grain facility and the Connecting Track over the Line using its own locomotives and personnel. Per HC Railroad, since 2015 CSXT crews have delivered 90-car unit trains of hopper cars in private carriage to and from Morristown's grain facility over the Line. HC Railroad states that the rates, terms, and conditions governing CSXT's transportation of grain processed by Morristown are established between CSXT and its customers; Morristown does not have any rail transportation agreements or tariff agreements with CSXT to transport grain from its facility.

HC Railroad states that there are no shippers on the Line other than Morristown.

In addition to an exemption from the provisions of 49 U.S.C. § 10903, HC Railroad seeks an exemption from 49 U.S.C. § 10904 (offer of financial assistance (OFA) procedures) and 49 U.S.C. § 10905 (public use conditions) as it intends to leave the track in place for continued access by its affiliate, Morristown, and to serve any hypothetical future industries through private contract. HC Railroad states that there has been no actual or need for common carrier rail service since it acquired the Line and that the abandonment of its common carrier obligation will facilitate private use of the track. HC Railroad's request for exemption from § 10904 and § 10905 will be addressed in the final decision.

HC Railroad states that the Line does not contain federally granted rights-of-way. Any documentation in HC Railroad's possession will be made available promptly to those requesting it.

HC Railroad states that there are no paid railroad employees. Nevertheless, to ensure that this is the case, the interest of railroad employees, if any, will be protected by the conditions set forth in Oregon Short Line Railroad—Abandonment Portion Goshen Branch Between Firth & Ammon, in Bingham & Bonneville Counties, Idaho, 360 I.C.C. 91 (1979).

By issuing this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. § 10502(b). A final decision will be issued by June 30, 2017.

Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by a \$1,700 filing fee. See 49 C.F.R. § 1002.2(f)(25).

All interested persons should be aware that, following abandonment, the Line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 C.F.R. § 1152.28 or for trail use/rail banking under 49 C.F.R. § 1152.29 will be due no later than April 24, 2017. Each trail request must be accompanied by a \$300 filing fee. See 49 C.F.R. § 1002.2(f)(27).

All filings in response to this notice must refer to Docket No. AB 1250 (Sub-No. 1X) and must be sent to: (1) Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001; and (2) Thomas W. Wilcox, GKG Law, P.C., 1055 Thomas Jefferson Street, N.W., Suite 500 Washington, DC 20007. Replies to the petition are due on or before April 24, 2017.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Assistance, Governmental Affairs, and Compliance

at (202) 245-0238 or refer to the full abandonment regulations at 49 C.F.R. part 1152.

Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis (OEA) at (202) 245-0305. Assistance for the hearing impaired is available through the Federal Information Relay Service at 1-800-877-8339.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by OEA will be served upon all parties of record and upon any other agencies or persons who comment during its preparation. Other interested persons may contact OEA to obtain a copy of the EA (or EIS). EAs in abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA generally will be within 30 days of its service.

Board decisions and notices are available on our website at
"WWW.STB.DOT.GOV."

Decided: March 29, 2017.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.